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STATE ANNOUNCES \$265 MILLION SETTLEMENT IN CLASS-ACTION SUIT
Massachusetts was Lead Plaintiff in Case Against Energy Company

State leaders today announced a \$265 million cash settlement related to a class-action lawsuit against the former Massey Energy Company, which is now doing business as Alpha Appalachia Holdings, Inc. The Massachusetts state pension fund, which served as lead plaintiff in the case on behalf of itself and other investors, brought the legal action in response to the company's safety disclosures, alleging that certain misrepresentations artificially inflated the stock price, and the eventual disclosures and corresponding loss of value harmed investors.

"Protecting the public's money is one of my top priorities as Treasurer," said Treasurer Steven Grossman, who serves as chair of the Pension Reserves Investment Management (PRIM) Board. "Businesses need to be open and transparent to the people who invest in them, and this case sends a clear message that misrepresentations and bad business practices will not be tolerated and will have severe consequences."

"This settlement returns significant taxpayer money to the state pension system that was lost as a result of misleading information," said Attorney General Martha Coakley. "Businesses must be truthful and honest with investors and our office will continue working to ensure we protect these important public funds."

The class-action lawsuit and today's settlement announcement stem from worker safety misrepresentations made by the Massey Energy Company, a U.S. coal mining company that was acquired by Alpha Natural Resources in 2011. While Massey touted a strong adherence to proper safety procedures to its investors, the company actually had an extensive culture of safety violations, leading to a mine explosion that killed 29 employees in April of 2010. The explosion was the deadliest of its kind in 40 years, and the ensuing investigation uncovered hundreds of safety violations which caused the company's stock to plunge.

"I am pleased with the outcome of this case. It is a significant win for the class and for PRIM. We treat securities claims as equal to any other asset in our portfolio, and it's our job to maximize the value of all assets," said Michael Trotsky, CFA, Executive Director and Chief Investment Officer of PRIM. "I am very proud of the hard work and tenacity of our legal team, headed by Chris Supple, to reach this landmark settlement."

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PRIM's share of the settlement will be proportional to its percentage of shares damaged in value as a result of the misstatements by Massey. As lead plaintiff, PRIM opened the door for all other investors during this period to file for their portion of the settlement.

At the time it was acquired by Alpha Natural Resources, the Massey Energy Company was one of the largest producers of coal in the United States and was the largest coal producer in Central Appalachia.

The government attorneys that worked on the lawsuit include Michael Sweeney, Deputy General Counsel in the Office of the Treasurer, Matthew Gendron, Assistant Attorney General, and Chris Supple, General Counsel for PRIM.

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